



Sean Rogan
Executive Director

**COMMUNITY DEVELOPMENT COMMISSION
of the County of Los Angeles**

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ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

December 15, 2015

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The Honorable Board of Commissioners
Community Development Commission
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012


PATRICK OGAWA
ACTING EXECUTIVE OFFICER

Dear Commissioners:

**APPROVAL OF A SOLE SOURCE CONTRACT BETWEEN THE COMMISSION AND EMPHASYS
COMPUTER SOLUTIONS, INC. FOR THE CONTINUED OPERATION OF THE LOS ANGELES
COUNTY HOUSING RESOURCE CENTER WEBSITE AND CALL CENTER
(ALL DISTRICTS) (3 VOTES)**

**CIO RECOMMENDATION: APPROVE (X) APPROVE WITH MODIFICATION ()
DISAPPROVE ()**

SUBJECT

This letter recommends approval of a sole source Contract between the Community Development Commission (Commission) and Emphasys Computer Solutions, Inc. (Emphasys) for the continuing operation of the Los Angeles County Housing Resource Center housing locator website and Call Center services (Housing Resource Center). This letter relates to an item on the agenda of the Board of Supervisors for approval of three years of continued Homeless Prevention Initiative (HPI) funding from the County.

IT IS RECOMMENDED THAT THE BOARD:

1. Authorize the Executive Director to accept a total amount of up to \$666,000 in HPI funds for the continuing operation of the Housing Resource Center to be jointly operated by Emphasys and Non-Profit Industries, DBA Socialserve.com (Socialserve).
2. Authorize the Executive Director, or his designee, to execute a three year sole source Contract (Contract) between the Commission and Emphasys for a maximum total three year amount of \$784,133 using ongoing HPI funds, Chief Executive Office (CEO) Information Technology Funds

(ITF), and Website Partnership fees for the purposes described above, to be effective following approval as to form by County Counsel and execution by all parties.

3. Authorize the Executive Director, or his designee, to extend the Contract by up to two additional years in one year increments contingent on funding availability.
4. Authorize the Executive Director, or his designee, to amend the Contract to increase the compensation amount by up to 10 percent above the total, and further expand or amend the scope of services and deliverables in keeping with the purpose of the Contract in order to improve website awareness and/or functionality, to be effective following approval as to form by County Counsel, review and approval by the Chief Information Officer (CIO), and execution by all parties.
5. Authorize the Executive Director, or his designee, to amend the Contract to increase the compensation amount by up to 50 percent above the total, in the event of a disaster or emergency situation in which the contractor's internet and Call Center disaster recovery services are required for emergency housing relocation, subject to funding availability, and following approval as to form by County Counsel and review and approval by the County Office of Emergency Management (OEM) and Chief Information Office.
6. Authorize the Executive Director, or his designee, to negotiate, execute, amend, and, if necessary, terminate Cooperation Agreements and Partnership Agreements with non-profit agencies, housing authorities, and cities within the County to allow for shared housing resources across multiple web-based platforms.
7. Find that approval of the Contract is not subject to the provisions of the California Environmental Quality Act (CEQA) because the proposed activity is not defined as a project under CEQA and will not have the potential for causing a significant effect on the environment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended actions is to approve a Contract with Emphasys, in order to continue uninterrupted operation of the Housing Resource Center and existing partner websites.

FISCAL IMPACT/FINANCING

The HPI was created in April 2006 using ongoing County general funds, and included an ongoing funding approval in the amount of \$202,000 per year for the Housing Resource Center. The proposed request for three years of continued HPI funding includes an almost ten percent increase of \$20,000 to raise the ongoing HPI funding total to \$222,000. These funds will be used to fund the annual fee for operation of the Housing Resource Center in an annual amount of \$222,000. Funds for each year's allocation will be included in the Commission's Annual Budget approval process.

The CEO ITF awarded \$938,826 to the Commission in 2009 for website enhancements, marketing, and administration of the Housing Resource Center. The Commission has included \$112,000 of the CEO-IT funds in the FY 2015-16 Annual Budget and will be using the remaining unspent funds including interest, in the amount of \$98,185 in future budget years as needed (see Attachment A). These funds will be used to complete work items and cover administrative costs that were delayed due to the change in the contractor ownership structure. The calculation of maximum contract authority (see Attachment B) includes some flexibility to accommodate new work requests, through use of contingency funding, to list new housing information that is identified in the future.

The Partnership and Cooperation Agreements contain provisions for the payment, by partner cities or agencies, of up to 10 percent of costs as administrative fees to the Commission. These fees will be included in the Commission's Annual Budget approval process. The attached budget includes partnership fees that are contractually obligated; it is anticipated that current participating cities will opt to extend the terms of their agreements and pay the applicable partnership fees upon contract award.

The attached three-year budget includes approximately \$41,000 of unidentified sources in year three. It is expected that new and/or amended partnerships with cities or agencies would generate additional fees that could be utilized at that time, or that carryover savings from projected marketing costs would cover the deficit. The Contract includes a provision that allows for the Contract to be terminated if full funding amounts are not available.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On April 4, 2006, the Board of Supervisors approved an HPI recommendation to establish a housing search and listing database website for the County. On December 19, 2006, the Board of Supervisors approved a joint recommendation submitted by the CEO and the Commission, delegating authority to the CEO to execute a sole source contract with Socialserve to create a website called the Los Angeles County Housing Resource Center. The website, with Call Center support, was subsequently launched in June 2007.

The primary purpose of the Housing Resource Center is to provide free listing services of residential rental properties in the County, to keep the listings updated, and to make the rental listings available at no cost to individuals, families and housing caseworkers in the County via the internet or toll-free call. The search filters allow for listings of landlords who accept tenants with Section 8 Housing Choice Vouchers and Veterans Affairs Supportive Housing (VASH) Vouchers. The website also has additional information on special needs rental units to assist caseworkers, and ADA-compliant accessible units to assist persons with disabilities. The Housing Resource Center has proven to be very successful, and there are currently over 11,500 landlords registered and approximately 1,100 units currently available or with an open waiting list.

In 2009, the contract administration for the Housing Resource Center was transferred from the CEO to the Commission. Commission staff manages the workflow of website changes, coordinates among stakeholder agencies, develops marketing material, manages passwords, and provides training on the website. The Commission also requires that all affordable and special needs housing units that are funded under Commission programs are registered on the website.

Following the County's receipt of federal stimulus and recovery funds for housing in 2009 and 2010, the Housing Resource Center was used to provide screening and mapping functions to assist users in evaluating program eligibility for the Homelessness Prevention and Rapid Re-housing Program (HPRP), and the Neighborhood Stabilization Program (NSP). Since 2013, the Housing Resource Center has also been used to provide housing locator and rent comparability tools to caseworkers working within the County's Family Solutions System.

The most recent accomplishment of the Housing Resource Center website and Call Center function was the creation of a separate listing platform for affordable rental units that have accessible features for persons with mobility or sensory disabilities. This feature has allowed for increased affirmative marketing of affordable rental units that comply with federal accessibility standards. In addition, the website meets Website Content Accessibility Guidelines (WCAG) 2.0, which means that

the information is accessible to persons who rely on screen readers, helmet pointers, and other assistive technologies, as required by current ADA Title II standards. The Call Center similarly supports relay systems for persons who are deaf or hearing impaired.

Primarily due to the website's accessible unit marketing features, the City of Los Angeles Housing and Community Investment Department entered into a Cooperation Agreement with Socialserve and the Commission in June 2015, to form a partner website called the City of Los Angeles Housing Resource Center (www.housing.lacity.org). Partner websites, authorized by the Board of Supervisors, have allowed for inter-jurisdictional sharing and leveraging of information and resources to provide listing information and a "no wrong door" search function for housing locators. The City of Pasadena established a partner website called pasadenahousingsearch.org, and the non-profit Affordable Living for the Aging (ALA) also established a partner website titled ALA Senior Housing Connections that helps people search the shared database for affordable senior housing.

The current contract with Socialserve was executed on March 31, 2009, and was expected to expire on March 31, 2015. The Commission requested permission to extend the contract to December 31, 2015, in order to prepare a new Contract and statement of work.

In the spring of 2015, Socialserve informed the Commission that they were in negotiations with Emphasys that could lead to a change in business structure through an acquisition or merger. The two entities entered into an agreement on August 7, 2015, whereby Emphasys acquired the technology assets of Socialserve and became their parent company. Socialserve still operates as non-profit partner and affiliate of Emphasys. The continuity of operations has been seamless because key Socialserve staff involved with the Housing Resource Center transferred to Emphasys and the Housing Resource Center Call Center continues to be maintained and operated by Socialserve.

One of the key program enhancements that would be completed is a Disaster Recovery module that would bring additional capacity and protocols to allow the County or Commission to utilize the Housing Resource Center as a housing locator tool in the event of a disaster. The CEO ITF would cover the cost of a basic module that would lay out the communication protocols within the Los Angeles emergency networks in order to alert them to the availability of the Housing Resource Center for informational posting and Call Center services. These services have been implemented by Socialserve in over 70 disasters of scale (over 150 people displaced), including Hurricane Katrina, Hurricane Sandy, and the recent flooding in South Carolina. In the event that a disaster struck the County, the disaster recovery services could be quickly added as an amendment to this Contract under authority granted to the Commission's Executive Director.

In support of the County's commitment to transparency, the Commission will also explore opportunities to post affordable housing resource information on the County's Open Data website, and will work with the CIO to identify possible datasets or maps.

The CIO reviewed this request and recommends approval. The CIO determined this recommended action contains no new Information Technology matters requiring an analysis.

ENVIRONMENTAL DOCUMENTATION

The approval of the Contract between the Commission and Emphasys for the continuation of the Housing Resource Center Project is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3) because it involves

administrative activities that will not have a physical impact on or result in any physical changes to the environment. The action is not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378 because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

CONTRACTING PROCESS

As part of the procurement process, the Commission evaluated other services and contractors that could develop and operate the Housing Resource Center, and determined that no other company offers the same, or comparable, package of services that would be provided with Emphasys as prime contractor and Socialserve as a required subcontractor.

There are several key components of Housing Resource Center services that are not offered, or not comparable, to the services currently being supplied by Emphasys and Socialserve.

- 1) No other company offers a toll-free bilingual call center that is staffed and trained to offer the full range of support services being provided by the Housing Resource Center.
- 2) No other rental housing listing & locator website provides similar features to list and search for accessibility features.
- 3) No other rental housing listing and search service offers a package of disaster recovery services.

Although the County owns all of the data on the Housing Resource Center, the current database of over 78,000 units that have been registered by approximately 11,500 landlords is maintained and supported by Emphasys and Socialserve, who operate the Housing Locator search and listing features necessary to provide the data to the public. There are many data fields that do not exist in other websites, and the landlords have entrusted their data to the current contractor. The cost to re-establish a comparable database of rental housing listings with call center support would be extremely high and would not serve the current dire need to find affordable housing for so many County residents.

In the event of the need to procure a replacement contractor, it is estimated that the Housing Resource Center would cease to exist on the internet for about 24 months until such time that a replacement contractor could build, launch, and begin support of a replacement website. Additional costs would also be incurred in contacting registered landlords, re-training stakeholder agencies, and re-designing and printing support and marketing materials.

The Sole Source Checklist (Attachment C) has been reviewed by the Chief Executive Office.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will enhance the ability of the Commission to do affirmative marketing of all Commission and County-funded affordable housing units. The uninterrupted operation and additional services approved through this new Contract will provide benefits to residents of the County, including landlords and tenants, as well as housing locators, persons with disabilities, veterans, and other providers of affordable, special needs, supportive, transitional, and emergency housing.

The Honorable Board of Supervisors
12/15/2015
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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sean Rogan", followed by a horizontal line.

SEAN ROGAN
Executive Director

SR:CC:ln
Enclosures

A handwritten signature in black ink, appearing to read "Richard Sanchez", written in a cursive style.

RICHARD SANCHEZ
Chief Information Officer

ATTACHMENT A

Los Angeles County Housing Resource Center Projected Budget

YEAR	FY 2015-16	FY 2016-17	FY 2017-18
Revenues			
HPI Ongoing Funding	\$ 222,000	\$ 222,000	\$ 222,000
CEO-ITF Carryover	\$ 67,595	\$ 15,262	\$ 569
CEO-ITF Carryover (Admin)	\$ 30,590	\$ -	\$ -
Partnership Fees	\$ -	\$ 39,324	\$ 12,225
Unidentified Sources	\$ -	\$ -	\$ 41,203
TOTAL REVENUES	\$ 320,185	\$ 276,586	\$ 275,997
Expenditures			
Emphasys Annual Fee	\$ 222,000	\$ 222,000	\$ 222,000
CEO-ITF Programming Tasks	\$ 21,848	\$ -	\$ -
Website Updates	\$ 8,000	\$ 3,000	\$ 2,500
Subtotal – Contract Expenditures*	\$251,848	\$225,000	\$224,500
CDC Project Management**	\$ 47,075	\$ 48,017	\$ 48,997
CDC Marketing	\$ 6,000	\$ 3,000	\$ 2,500
TOTAL EXPENDITURES	\$ 304,923	\$ 276,017	\$ 275,997
<p>* Contract expenditures include the annual fee for service plus projections for additional website enhancements and marketing work which are requested by work order and implemented by the contractor. The deliverables are detailed with work requests. The budget projections are intended to include flexibility to accommodate website enhancements not currently identified.</p> <p>** CDC involvement includes responding to housing resource and referral requests not handled by the Call Center, specialized training services for developers and management companies, and program content oversight, in addition to general contract administration.</p>			

ATTACHMENT B

Los Angeles County Housing Resource Center

Maximum Contract Authority Calculation

Note: The requested maximum contract authority is higher than the initial proposed contract expenditures shown in Attachment A, due to the fact that the authority includes contingency projections that would allow for authorized contract increases in the event special program information or new housing or disaster recovery resources became available and were funded to be incorporated on the LAC-HRC website.

This calculation presumes the Contractor incurs design and marketing expenses at the fully budgeted amount. In some cases, the Community Development Commission pays for graphics, printing, and marketing costs. These design, printing, and marketing decisions are made on case-by-case basis to match the needs of the marketing event.

Expenses	Year 1	Year 2	Year 3	Total
Annual fee, website updates, and graphics/marketing tasks	\$ 257,848	\$ 228,000	\$ 227,000	\$ 712,848
10% Contingency	\$ 25,785	\$ 22,800	\$ 22,700	\$ 71,285
Total	\$ 283,633	\$ 250,800	\$ 249,700	\$ 784,133

SOLE SOURCE CHECKLIST

Emphasys Computer Solutions, Inc.

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS
	<i>Identify applicable justification and provide documentation for each checked item.</i>
✓	➤ Only one bona fide source for the service exists; performance and price competition are not available.
	➤ Quick action is required (emergency situation).
	➤ Proposals have been solicited but no satisfactory proposals were received.
✓	➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.
	➤ Maintenance service agreements exist on equipment which must be serviced by the authorized manufacturer's service representatives.
	➤ It is more cost-effective to obtain services by exercising an option under an existing contract.
✓	➤ It is in the best interest of the County, e.g., administrative cost savings, excessive learning curve for a new service provider, etc.
	➤ Other reason. Please explain:
<div style="display: flex; justify-content: space-between;"> <div> <u>S. Kibkawang</u> Deputy Chief Executive Officer, CEO </div> <div> <u>11/24/15</u> Date </div> </div>	